

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_  
2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)  
4 BY REQUEST OF THE DEPARTMENT OF COMMERCE

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO THE BIG SKY  
6 ECONOMIC DEVELOPMENT PROGRAM; REMOVING APPLICATION REQUIREMENTS FOR LOCAL OR  
7 TRIBAL GOVERNMENT AND CERTIFIED REGIONAL DEVELOPMENT CORPORATIONS; REMOVING  
8 REQUIREMENTS FOR FEDERAL MATCHING FUNDS; EXCLUDING EMPLOYEE BENEFITS WHEN  
9 DETERMINING WAGE REQUIREMENTS; INCREASING DOLLAR AMOUNT AWARDS FOR JOB CREATION;  
10 ALLOWING AWARDS FOR WORKFORCE RECRUITMENT ACTIVITIES; REMOVING ALLOCATIONS FOR  
11 DISTRIBUTIONS TO LOCAL OR TRIBAL GOVERNMENTS AND CERTIFIED REGIONAL DEVELOPMENT  
12 CORPORATIONS; REVISING A STATUTORY APPROPRIATION ALLOCATION; AND AMENDING  
13 SECTIONS 90-1-201, 90-1-202, 90-1-204, AND 90-1-205, MCA."

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16  
17 **Section 1.** Section 90-1-201, MCA, is amended to read:

18 **"90-1-201. Big sky economic development program -- definitions.** (1) (a) There is a big sky  
19 economic development program that consists of:

- 20 (i) the big sky economic development fund established in 17-5-703; and  
21 (ii) the economic development special revenue account provided for in 90-1-205.  
22 (b) Interest and income from the big sky economic development fund may be used to administer  
23 the big sky economic development program and to provide financial assistance for qualified economic  
24 development purposes under this part.

25 (2) As used in this part, the following definitions apply:

- 26 (a) "Certified regional development corporation" has the meaning provided in 90-1-116.  
27 (b) "Department" means the department of commerce provided for in 2-15-1801.  
28 (c) "Economic development organization" means:

(i) ~~(A)~~ a private, nonprofit corporation, as provided in Title 35, chapter 2, that is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code, 26 U.S.C. 501(c)(3) or 501(c)(6); or

~~(B) an entity certified by the department under 90-1-116 ; or~~

~~(C) an entity established by a local government; or~~

(ii) an entity actively engaged in economic development and business assistance work in a region of the state.

~~(d) "Employee benefits" means health, welfare, and pension contributions that meet the requirements of the Employee Retirement Income Security Act of 1974, 29 U.S.C. 1001, et seq.~~

(d) "Eligible business" means a for-profit or nonprofit business that is engaged in business activities in the state that will provide a significant positive economic impact to the community, region, or state.

(e) "High-poverty county" means a county in this state that has a poverty rate greater than Montana's average poverty rate as determined by the U.S. bureau of the census estimates for the most current year available.

(f) "Local government" means a county, consolidated government, city, town, or district or local public entity with the authority to spend or receive public funds.

(g) "Tribal government" means one of the federally recognized tribal governments of Montana."

**Section 2.** Section 90-1-202, MCA, is amended to read:

**"90-1-202. Purpose.** (1) The legislature finds and declares that economic development is a public purpose. The purpose of the big sky economic development program is to assist in economic development for Montana that will:

(a) create good-paying jobs for Montana residents;

(b) promote long-term, stable economic growth in Montana;

(c) encourage local economic development organizations;

~~(d) create partnerships between the state, local governments, tribal governments, and local economic development organizations that are interested in pursuing these same economic development goals;~~

~~(e)~~(d) retain or expand existing businesses;

~~(f)~~(e) provide a better life for future generations through greater economic growth and prosperity in

1 Montana; and  
 2 ~~(g)(f)~~ encourage workforce development, including workforce ~~training~~ recruitment activities and job  
 3 creation, in high-poverty counties by providing targeted assistance.

4 (2) As provided in 30-20-206, manufacturing ammunition components is a qualified economic  
 5 development purpose."

6

7 **Section 3.** Section 90-1-204, MCA, is amended to read:

8 **"90-1-204. Priorities for funding -- rulemaking.** (1) Under the big sky economic development  
 9 program provided for in 90-1-201, ~~the department must receive proposals for grants and loans from local~~  
 10 ~~governments and tribal governments~~ eligible businesses may apply for financial assistance through grants or  
 11 loans. A local government shall Eligible businesses may work with an economic development organization on a  
 12 proposal. The department shall work with the ~~local government~~ applicant and the economic development  
 13 organization ~~or with an applicant tribal government~~ in preparing cost estimates for a proposed project. In  
 14 reviewing proposals, the department may consult with other state agencies with expertise pertinent to the  
 15 proposal.

16 (2) (a) The department shall adopt rules necessary to implement the big sky economic  
 17 development program. In adopting rules, the department shall look to the rules adopted for the Montana coal  
 18 endowment program and other similar state programs. To the extent feasible, the department shall make the  
 19 rules compatible with those other programs. ~~To the extent feasible, the department~~ and shall employ an  
 20 approach pertaining to the use of funds so that, except as provided in subsection (2)(b), the needs of rural  
 21 areas are balanced with the needs of the state's urban centers.

22 (b) For high-poverty counties, the department shall employ an approach pertaining to the use of  
 23 funds that is intended to lower poverty levels in the county to a percentage at which the county no longer is  
 24 defined as a high-poverty county.

25 (c) (i) The rules must provide for the types of uses of funds available under the big sky economic  
 26 development program. ~~The types of uses of funds by:~~

27 ~~(i)(ii)~~ ~~local governments and tribal governments~~ The types of uses of funds include but are not  
 28 limited to:

(A) a reduction in the interest rate of a commercial loan for the expansion of a basic sector company;

(B) a grant or low-interest loan for relocation expenses for a basic sector company; ~~and~~

(C) rental assistance or lease buy-downs for a relocation or expansion project for a basic sector company; and

~~(ii) a certified regional development corporation or a tribal government include:~~

~~(A) support for business improvement districts and central business district redevelopment;~~

~~(B) industrial development;~~

~~(C) feasibility studies;~~

~~(D) creation and maintenance of baseline community profiles; and~~

~~(E) matching funds for federal funds, including but not limited to brownfields funds and natural resource damage funds.~~

(D) workforce recruitment activities and job creation.

~~(d)(iii) (i) The rules must provide for distribution methods for financial assistance available to local governments and tribal governments. The rules must provide for distribution based upon on the number of jobs expected to be created because of the funding.~~

~~(ii)(iv) Funding Except as provided in subsection (2)(d), funding may not exceed \$5,000 \$9,000 for each expected job, except that funding for a project in a high-poverty county may not exceed \$7,500 for each expected job.~~

~~(iii)(v) The rules must require equal matching funds for a grant or loan, except that the rules for a grant or a loan in a high-poverty county may allow a 50% to 100% match requirement for the high-poverty county.~~

~~(e)(d) The rules may provide for greater incentives for a high-poverty county.~~

~~(f) The rules must provide for the full or partial repayment of a grant if the new jobs or some of the new jobs for which a grant is given are not created.~~

~~(g)(e) A grant or loan under the big sky economic development program may be made only for a new job that has an average weekly wage that meets or exceeds the lesser of 170% of Montana's current minimum wage or the current average weekly wage of the county in which the employees are to be principally employed.~~

1 For purposes of this subsection ~~(2)(g)~~ and subject to subsection ~~(2)(h)~~, the department may consider the value  
2 of employee benefits in determining whether the wage requirements have been met.

3 ~~(h) Nothing in subsection (2)(g) exempts an employer from minimum wage requirements."~~

4  
5 **Section 4.** Section 90-1-205, MCA, is amended to read:

6 **"90-1-205. Economic development special revenue account.** (1) There is an economic  
7 development state special revenue account. The account receives earnings from the big sky economic  
8 development fund as provided in 17-5-703. The money in the account may be used only as provided in this  
9 part.

10 (2) The money in the account is statutorily appropriated, as provided in 17-7-502, to the  
11 department. ~~Of the~~ The money that is deposited in the account ~~that is not~~ must be used for administrative  
12 expenses or for ~~other~~ economic development purposes;\_

13 ~~(a) 75% must be allocated for distribution to local governments and tribal governments to be used for~~  
14 ~~job creation efforts; and~~

15 ~~(b) 25% must be allocated for distribution to certified regional development corporations, economic~~  
16 ~~development organizations that are located in a county that is not part of a certified regional development~~  
17 ~~corporation, and tribal governments."~~

18  
19 **NEW SECTION. Section 5. Notification to tribal governments.** The secretary of state shall send a  
20 copy of [this act] to each federally recognized tribal government in Montana.

21 - END -